

Message Text

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ACTION ARA-10

INFO OCT-01 ISO-00 CIAE-00 COME-00 EB-07 INR-07 LAB-04

NSAE-00 RSC-01 SIL-01 PA-01 PRS-01 USIA-06 /039 W

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R 301541Z JAN 75

FM AMEMBASSY SANTIAGO

TO SECSTATE WASHDC 1975

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EO 11652: NA

TAGS: CI, PINT, ELAB

SUBJ: GOC GRANTS CONCESSION TO TRUCK OWNERS

1. SUMMARY. IN AN UNUSUAL ACTION, GOC GAVE IN TO PUBLIC PRESSURE FROM TRUCKERS ASSOCIATION AND REVERSED ITSELF ON POLICY CONCERNING FREIGHT RATES. CASE IS OF MARGINAL ECONOMIC IMPORTANCE; GOC HAS RESPONDED TO PRIVATE PRESSURES ON ECONOMIC ISSUES BEFORE. INCIDENT IS REPORTED BECAUSE OF PRE-COUP POLITICAL IMPORTANCE OF TRUCKERS IN ANTI-ALLENDE CAMPAIGN, AND PUBLIC DISPLAY OF THIS ASSOCIATION'S MUSCLE. END SUMMARY.

2. IN PAST TWO MONTHS CONFEDERATION OF TRUCK OWNERS, AS VOCALLY LED BY LEON VILARIN, HAS TWICE WON ITS POINT WITH GOC ON PURELY ECONOMIC ISSUE OF FRIEGHT RATES. PRELIMINARY VICTORY RESULTED FROM CONCERTED CAMPAIGN INCLUDING FULL PAGE ADS IN MAJOR PAPERS IN DECEMBER. ADS ARGUED THAT NEW TRANSPORT TARIFF LAW ESTABLISHING MAXIMUM RATES FOR DRAYAGE WAS USED BY SHIPPERS TO DISADVANTAGE OF SMALL TRUCKERS AND THAT "MHEROES OF UP OPPOSITION" (TO ALLENDE) SHOULD BE BETTER TREATED. GOC AMENDED DECREE ACCORDINGLY.

3. MORE IMPORTANT DISAGREEMENT DEVELOPED IN EARLY JANUARY AFTER STATEMENT OF ECONOMICS MINISTER TO CONFEDERATION LEADERS TO EFFECT THAT GOC INTENDED TO APPLY LIMITED OFFICIAL USE

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FREE MARKET PRINCIPLES TO ROAD TRANSPORT RATES. FEARFUL

OF LOSING THEIR PROTECTED POSITION, TRUCKERS REPLIED WITH RENEWED CAMPAIGN, WHICH RESULTED IN GOC DECISION TO CONTINUE PRESENT POLICY OF FIXED (BUT INCREASED) RATES THROUGH 1975.

4. COMENT. GOC OFTEN HAS MADE EXCEPTIONS TO ITS POLICY OF MOVING THE ECONOMY TOWARD A FREE MARKET BASIS IN ORDER TO ENABLE SPECIFIC SECTORS TO SURVIVE OR COMPETE. TRUCKERS HAVE SPECIAL CLOUT DERIVING FROM THEIR PROMINENT ROLE IN THE CIVILIAN OPPOSITION TO ALLENDE, AND THEY EXPLOITED IT DEMAGOGICALLY IN THEIR PRESS ADS AND PUBLIC STATEMENTS. VILARIN AT ONE POINT ASSERTED THAT "RECESSED POLITICIANS" IN BUREAUCRACY (HE DID NOT SAY WHO THEY WERE, BUT IMPLIED ANTI-TRUCKERS FROM ALLENDE DAYS) WERE PREJUDICED AGAINST TRUCKERS AND BLOCKING THEIR JUST DESIRES. HIS REAL EFFORT WAS TO GET ATTENTION OF TOP LEVELS OF JUNTA AFTER EFFORTS TO CONVINCE BUREAUCRATS HAD FAILED. IN THIS HE SUCCEEDED. IT IS UNLIKELY, THOUGH, THAT HIS TACTIC COULD BE WIDELY OR OFTEN USED.
POPPER

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Message Attributes

Automatic Decaptioning: X
Capture Date: 01 JAN 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: BUSINESS ASSOCIATIONS, TRUCKING COMPANIES, HIGHWAY TRANSPORTATION, FREIGHT RATES, NEGOTIATIONS, LABOR OBJECTIVES
Control Number: n/a
Copy: SINGLE
Draft Date: 30 JAN 1975
Decaption Date: 01 JAN 1960
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Authority: GolinoFR
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 28 MAY 2004
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1975SANTIA00655
Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: N/A
Errors: N/A
Film Number: D750035-0588
From: SANTIAGO
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1975/newtext/t1975016/aaaaafdm.tel
Line Count: 80
Locator: TEXT ON-LINE, ON MICROFILM
Office: ACTION ARA
Original Classification: LIMITED OFFICIAL USE
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 2
Previous Channel Indicators: n/a
Previous Classification: LIMITED OFFICIAL USE
Previous Handling Restrictions: n/a
Reference: n/a
Review Action: RELEASED, APPROVED
Review Authority: GolinoFR
Review Comment: n/a
Review Content Flags:
Review Date: 04 SEP 2003
Review Event:
Review Exemptions: n/a
Review History: RELEASED <04 SEP 2003 by BoyleJA>; APPROVED <20 NOV 2003 by GolinoFR>
Review Markings:

Margaret P. Grafeld
Declassified/Released
US Department of State
EO Systematic Review
05 JUL 2006

Review Media Identifier:
Review Referrals: n/a
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
Secure: OPEN
Status: NATIVE
Subject: GOC GRANTS CONCESSION TO TRUCK OWNERS
TAGS: PINT, ELAB, CI
To: STATE
Type: TE
Markings: Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 05 JUL 2006